

G-001/GR-90-700 REJECTING FILING AS INCOMPLETE

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Darrel L. Peterson	Chair
Cynthia A. Kitlinski	Commissioner
Norma McKanna	Commissioner
Robert J. O'Keefe	Commissioner
Patrice Vick	Commissioner

In the Matter of the Application of Interstate  
Power Company for Authority to Increase Its  
Rates for Natural Gas Service in the State of  
Minnesota

ISSUE DATE: October 29, 1990

DOCKET NO. G-001/GR-90-700

ORDER REJECTING FILING AS  
INCOMPLETE

PROCEDURAL HISTORY

On September 28, 1990, Interstate Power Company (Interstate or the Company) filed a petition to increase its rates for natural gas service in Minnesota. The Company requested that the Commission increase its rates by 8.5%, which would result in increased operating revenues of \$688,142. Interstate proposed a historical test year ending December 31, 1989.

Along with its petition to increase rates, Interstate filed an interim rate petition. The Company proposed interim rates of \$655,085 to take effect on December 1, 1990. The interim rate petition would be brought before the Commission at a later date if the rate increase petition were accepted and rates suspended by the Commission.

On October 9, 1990, the Company filed additional workpapers in support of its rate increase petition. On October 10, 1990, Interstate filed an expanded Conservation Improvement Plan (CIP), as well as additional workpapers.

On October 15, 1990, the Department of Public Service (the Department) filed written comments. The Department stated that the Company's filing satisfied the requirements specified in Minn. Stat. §216B.16 and Minnesota Rules, parts 7825.3100 through 7825.4400. The Department noted, however, that the Company had failed to file a jurisdictional Class Cost of Service Study (CCOSS). The Department recommended that the Commission accept Interstate's filing and require the Company to file a CCOSS within 30 days.

The matter came before the Commission on October 23, 1990.

## FINDINGS AND CONCLUSIONS

The Commission agrees with the Department that Interstate's filing conforms to rate case requirements set out in statute and rule. Minn. Rules, part 7825.4300, subp. C provides that a CCOSS study is "...appropriate whenever a utility proposes a change in rates which results in a material change in its rate structure." Interstate has indicated that it is not proposing a material change to its rate structure; thus, under the rule no CCOSS would be required.

In this case, however, Interstate was previously directed by the Commission to file a CCOSS in its next general rate case. In the Company's last general rate case, Interstate had requested material changes in rate structure, but had failed to file a CCOSS. Although the Commission eventually accepted a CCOSS prepared and filed by the Department, the Commission ordered Interstate to include a CCOSS in its next gas rate case filing. In the Matter of the Proposed Petition of Interstate Power Company for Authority to Increase Rates for Gas Utility Service in Minnesota, Docket No. G-001/GR-85-189, FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER (January 28, 1986), at page 20. Interstate is thus acting under Commission directive in the current rate case filing.

The Company indicated to the Commission that its failure to file a CCOSS as directed by the Commission was due to mistake and not design. Interstate stated that it will comply with the previous Commission Order as soon as a CCOSS is completed.

The Commission is unwilling to follow the original Department recommendation, which was to accept the Company's filing contingent upon Interstate's later filing of a CCOSS. If the current filing were accepted, the rate case would be considered filed on September 28, 1990, the date of the petition. The statutory ten month deadline for completion of the case would thus run from September 28. Assuming that the Company filed its CCOSS within 30 days of the Commission's October 23rd meeting, the CCOSS would not be received by the parties until some 60 days into the ten-month rate case period. If the Company's CCOSS filing were found to be unsatisfactory or incomplete, revisions and refilings would be necessary. The parties would thus not receive the final information until well into the ten-month period.

The Commission will reject Interstate's petition as incomplete at this time, due to the omission of the CCOSS. The petition will not be considered filed, and the statutory ten-month period will not run, until the receipt by the Commission of an adequate CCOSS. At that time, however, the Company will not need to refile its testimony or schedules. The current docket number will be retained.

## ORDER

1. Interstate Power Company's petition to increase its rates for natural gas service is denied due to the fact that the filing is incomplete. The filing will be considered complete, and the petition filed, when the Company has filed an adequate jurisdictional Class Cost of Service Study. At such time, the case will retain its current docket number and the Company will not be required to refile its testimony and schedules.

2. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Richard R. Lancaster  
Executive Secretary

(S E A L)